



Washington State Auditor's Office

Independence • Respect • Integrity

Accountability Audit Report

Grays Harbor Transportation Authority

(Grays Harbor Transit)

Grays Harbor County

For the period January 1, 2014 through December 31, 2014

Published September 24, 2015

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Washington State Auditor's Office

September 24, 2015

Board of Directors
Grays Harbor Transit
Hoquiam, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for Transit Authority operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our report on the Transit Authority's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

JAN M. JUTTE, CPA, CGFM
ACTING STATE AUDITOR
OLYMPIA, WA

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AUDIT SUMMARY

Results in brief

In the areas we audited, Transit Authority operations complied with applicable requirements and provided adequate safeguarding of public resources. The Transit Authority also complied with state laws and regulations and its own policies and procedures in the areas we examined.

About the audit

This report contains the results of our independent accountability audit of the Grays Harbor Transit from January 1, 2014 through December 31, 2014.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

Our audit involved performing procedures to obtain evidence about the Transit Authority's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Open Public Meetings Act
- General revenues and expenditures
- Key system controls:
 - Cash receipting
 - General disbursements
 - Credit cards
- Passenger fares (fare box) receipting
- Safeguarding of assets
- Vanpool billing
- Payroll
- Financial condition

RELATED REPORTS

Financial

Our opinion on the Transit Authority's financial statements and compliance with federal grant program requirements is provided in a separate report issued in September 2015, which includes the Transit Authority's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

Federal grant programs

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the Transit Authority's major federal program, which is listed in the Federal Summary section of the financial statement and single audit report issued in September 2015.

That report includes a federal finding regarding noncompliance with allowable costs, reporting and suspension and debarment requirements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE TRANSIT AUTHORITY

The Grays Harbor Transportation Authority, doing business as Grays Harbor Transit, was incorporated in 1974 to provide transit services throughout Grays Harbor County. The Transit Authority operates fixed route bus service, specialized transportation (Dial-A-Ride) services for people with disabilities or who have unique schedules, and a vanpool program.

A six-member Board of Directors governs the Transit. The Board is composed of the Grays Harbor County Commissioners and three city Mayors of the areas the Transit Authority serves. The Transit Authority's 73 employees operate on an \$8 million annual budget that focuses on maintaining services to customers while continuing to make improvements to the Transit Authority's internal operations.

Contact information related to this report

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Information current as of report publish date.

Audit history

You can find current and past audit reports for the Grays Harbor Transit at <http://portal.sao.wa.gov/ReportSearch>.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

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